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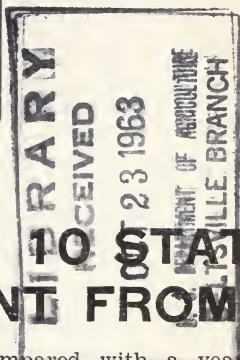


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Agricultural Situation



HOG NUMBERS IN 10 STATES UP 2 PERCENT FROM 1962

The number of all hogs and pigs on farms in the 10 leading Corn Belt States is 2 percent more than in 1962. The September 1, 1963 inventory totaled 51.2 million head, compared with 50.4 million head on farms a year earlier and 50.3 million head on farms September 1, 1961. The 10 States are shown below.

Inventory numbers on September 1

compared with a year earlier were larger in 7 of the 10 States. Indiana and Missouri were each up 1 percent; Iowa and South Dakota, each up 2 percent; Nebraska, up 3 percent; and Illinois and Kansas, each up 4 percent. Inventories in Ohio on September 1 were the same as a year earlier. Decreases in the 2 remaining States were:



Minnesota, 2 percent; and Wisconsin, 3 percent.

The total inventory for the 10 States consists of 6.5 million head of hogs and pigs used or to be used for breeding. The other hogs and pigs on farms totaled 44.7 million head or 87 percent of the total. Of these, the number and percentage of total in each weight group are as follows: Under 60 pounds, 16.0 million head or 36 percent; 60-119 pounds, 11.9 million head, 27 percent; 120-179 pounds, 10.5 million head, 23 percent; 180-219 pounds, 5.3 million head, 12 percent; and 220 pounds and over, 1.0 million head, 2 percent.

The June-August 1963 pig crop in the 10 States totaled 17.5 million head. This results from 2.4 million sows farrowing with an average number of pigs per litter of 7.23 head. The number of pigs per litter ranged from a low of 7.10 in Illinois to a high of 7.41 in Ohio. The pig crop reported for these States is the number of pigs from the litters farrowed during June-August that were still on hand September 1, or had already been sold. No comparisons are available with this period in earlier years.

The 2.4 million sows farrowing during this period is 2 percent more than a year earlier and 7 percent more than the average. Increases from a year earlier were reported for 7 of the 10 States. Increases were 2 percent each for Ohio, Wisconsin, and Minnesota; 3 percent in South Dakota and Nebraska; and 4 percent in the 2 leading hog States of Iowa and Illinois. Farrowings during this period in Indiana were the same as a year earlier. Kansas and Missouri had decreases of 3 and 4 percent, respectively. On June 1, 1963, farmers in the 10 States reported intentions to

increase farrowings for the June-August 1963 period by 3 percent.

The number of sows farrowed during June 1963 was 9 percent more than a year earlier; July farrowings were up 11 percent; but August 1963 farrowings were 9 percent less than during August 1962.

Sows bred and intended for farrowing during the September-November period totaled 2.2 million head, 3 percent less than a year earlier, but 11 percent more than the average. Decreases from a year earlier were indicated in 7 of the 10 States, ranging from 2 percent in Iowa to 7 percent each for Minnesota and Missouri. Ohio and Nebraska show no change from a year earlier with South Dakota the only State showing an increase for this period. Expected farrowings by months are for 1.1 million head in September, 0.7 million head in October, and 0.4 million head during November 1963. The September 1, 1963, intentions for the September-November period are 3 percent less than the intentions reported for this period on June 1, 1963.

Reported breeding intentions indicate 1.8 million sows to farrow during the December 1963-February 1964 period in the 10 States. This is 1 percent less than a year earlier but slightly more than the average. Five of the 10 States indicated increases from a year earlier as follows: 5 percent each for Iowa and Kansas; 8 percent in Nebraska; 10 percent in Ohio; and 12 percent in South Dakota. Expected decreases are 5 percent in Indiana, 6 percent in Illinois, 8 percent in Minnesota, and 10 percent in Wisconsin.

R. M. Pallesen
Statistical Reporting Service



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LARD OUTPUT THE SAME AS IN PAST THREE YEARS

Lard output (including farm) in the marketing year that began October 1, 1963 is forecast at 2,500 million pounds. Production has been unusually steady at 2.5 billion pounds annually since 1960-61. The 1963 pig crop, that will provide most of the hogs for slaughter in 1963-64, is expected to total 94.5 million head compared with 94.2 million in 1962. Lard yield likely will average about 29 pounds per animal.

Lard yield per hog slaughtered has trended downward from 33.8 pounds in 1951 to 29.1 pounds in 1962, mainly a reflection of improved breeding and feeding practices. The pressure to shift to a meatier type of hog will become even stronger as neither fat pork nor lard is likely to find a ready market. In 1960-61 about one-third of the hogs slaughtered were meat-type hogs (U.S. number 1).

Domestic use of lard in 1963-64 is forecast just under 2,000 million

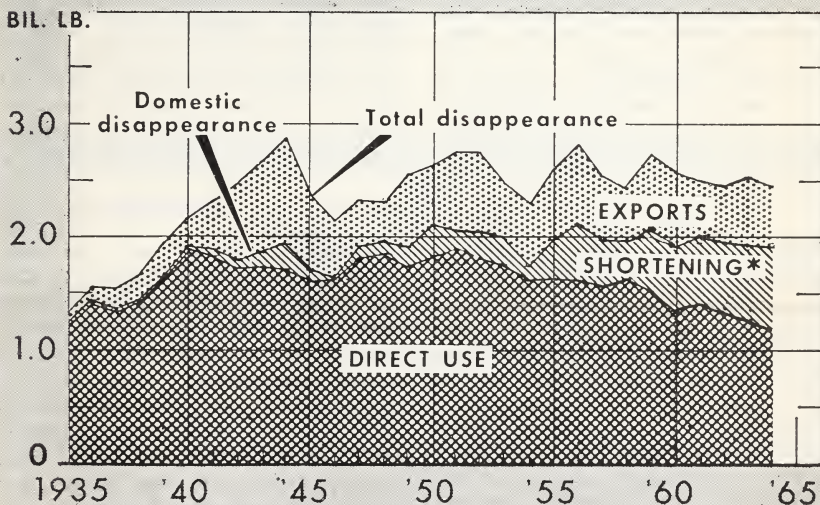
pounds, the same as in 1962-63 with increased usage in shortening. The direct use of lard during 1963-64 is expected to total 1,300 million pounds, down slightly from the year before and the smallest since 1935. Another 100 million pounds may be used primarily in margarine. This will leave 600 million pounds of lard for use in shortening manufacture compared with 575 million pounds in 1962-63.

Lard exports in 1963-64 will approximate the 500-million-pound rate of the past 2 marketing seasons, comprising one-fifth of U.S. lard output. Foreign market outlets for lard have mainly become the United Kingdom, with that market accounting for 80 percent of our exports in 1962-63.

Lard prices in 1963-64 probably will not differ much from the 1962-63 average of 8.2 cents per pound (tanks, loose, Chicago).

George W. Kromer
Economic Research Service

LARD EXPORTS AND DOMESTIC USE



*INCLUDES "OTHER" USES.

1963 PARTLY ESTIMATED.

1964 FORECAST.



1962-63 FARM EXPORTS NEAR RECORD

United States agricultural exports in the fiscal year that ended June 30 totaled \$5,084 million, only one percent below last year's alltime high. But commercial sales for dollars, which account for 70 percent of the total, beat the record; so did exports of feed grains, oilseeds, and vegetables.

These high export levels occurred despite several major unfavorable developments in leading foreign markets.

- The variable levies imposed by the European Economic Community in August 1962 on imports.

- Increased cotton production in the foreign Free World and reduced consumption in several major countries.

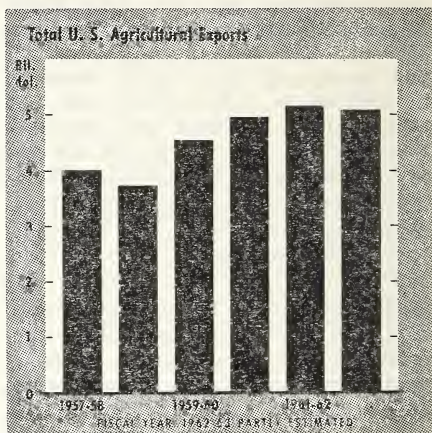
- The longshoremen's strike from late December to late January.

ANIMALS AND PRODUCTS

Exports of animals and animal products totaled \$604 million compared with \$627 million a year earlier. Principal declines were in sales of inedible tallow, mainly to Italy and Japan, and of variety meats and poultry meat, mainly to Western Europe. There was a substantial increase in exports of dairy products under government-financed programs. The volume of lard exports was up 11 million pounds, but with prices lower, little change in value resulted.

COTTON

Exports of cotton totaled 3.6 million bales—1.2 million less than the previous year. The decline resulted mainly from an increase of over 2 million bales in foreign Free World production; in addition, principal textile-producing countries operated to a greater extent from inventories, holding their cotton purchases to a minimum, so as to benefit when the new U.S. cotton export program went into effect August 1. Principal foreign outlets were Japan, the EEC, India, Korea, and Canada.



FRUITS AND PREPARATIONS

Exports of fruits and preparations—nearly all commercial sales—totaled \$280 million, close to the \$282 million of a year earlier. Exports of peaches were 15 percent above a year earlier and fruit cocktail exports ran 11 percent ahead. Demand for these products was stimulated by increased purchasing power in Western Europe and plentiful U.S. supplies at attractive prices. The increases, however, were offset by declines in exports of raisins, fresh apples, and fresh oranges.

GRAINS AND PREPARATIONS

Exports of wheat and flour totaled 638 million bushels, somewhat below the previous year's record of 718 million. This decline reflected the large wheat harvest in most exporting and importing countries. About 75 percent of the wheat exports moved under government programs. Principal foreign outlets were India, Pakistan, Brazil, Egypt, Yugoslavia, and Korea, with Japan the top dollar buyer.

Exports of feed grains—about 88 percent of them commercial sales—ad-

vanced to 15.4 million metric tons, exceeding the previous record of 14.7 million in fiscal 1962. Exports to the EEC were up slightly, reflecting poor crops in Italy and France and smaller availabilities of grain from other major exporting countries. Expansion of the livestock industry in Western Europe and Japan also contributed to larger U.S. exports. Principal foreign outlets for feed grains were the Netherlands, the United Kingdom, West Germany, Japan, Canada, Belgium, and Italy.

OILSEEDS AND PRODUCTS

Our exports of oilseeds and products advanced to a record \$778 million from the previous record of \$636 million a year earlier. Larger exports of soybeans, protein meal, and soybean oil were responsible. There has been a substantial increase in foreign demand for oilseed products in recent years, resulting from the expanding livestock industry in the industrialized West European countries and Japan, and from advances in standards of living in many foreign countries. In addition, U.S. exports in the past year were encouraged by the poor olive crop in the Mediterranean Basin, greater demand for protein meal in Western Europe as a result of the severe winter, and continued small availabilities of soybeans from Communist China. U.S. exports accounted for over a third of world trade in these products.

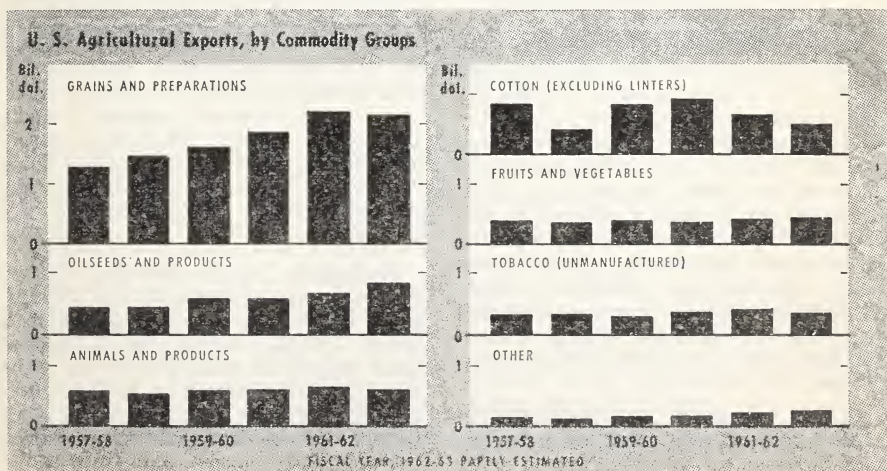
VEGETABLES AND PREPARATIONS

Exports of vegetables and preparations advanced to a record \$162 million from \$136 million a year earlier. Large quantities of U.S. fresh vegetables and potatoes were imported by European countries in January and February to supplement local output, reduced by a severe winter. Lower bean production in a number of countries in Europe and Latin America led to a substantial increase in U.S. exports of edible beans to these areas. Except for dried edible beans, nearly all exports of vegetables and preparations were commercial sales for dollars. Canada was the chief outlet, taking a third of the total and three-fourths of the fresh vegetables.

TOBACCO

U.S. exports of unmanufactured tobacco declined 9 percent to 474 million pounds (export weight), compared with 520 million a year earlier. The decline resulted from larger than normal production of low-quality leaf in the United States. In addition, the United States met increased competition in the principal tobacco markets of Western Europe from other producing countries. Exports to the United Kingdom, Switzerland, Canada, and Thailand were down sharply.

Robert L. Tontz
Dewain H. Rahe
Economic Research Service





LARGEST RELEASE OF CONSERVATION RESERVE ACREAGE TO BE IN DECEMBER

During the 1963 crop year 25 million acres of cropland were out of production under conservation reserve contracts. Feed grain and wheat diversion programs idled another 33.4 million acres. As a result of this 58.4 million acres of cropland held out of production, stocks of surplus agricultural commodities decreased.

Cropland, totaling 7.4 million acres, will be released from conservation reserve contracts on December 31, 1963. This is by far the largest acreage to be released from expiring contracts in any one of the next few years. A considerable part of this acreage has a feed grain base or wheat allotment. Farmers can return the released land to production or, to the extent eligible, place it under any land use adjustment programs available in 1964.

Present legislation provides for an improved feed grain diversion program in 1964 in which farmers, having released land with a feed grain base, may participate. Present legislation does not provide for any wheat diversion program in 1964. Expansion of the cropland conversion program to encourage continued land use adjustment on some of the released land is now being considered in Congress. What farmers do with the released land will affect farm income, the supply of farm products, and the success of farm programs.

If land released in 1963 were returned to its historical use, ASCS records may indicate what crops will be grown on it.

Of course, the acreage that actually will be used in 1964 and later years, to produce crops already in surplus, will be tempered by farmers' response to the Government programs in effect each year. The following estimates make no allowance for the amount of released land that farmers will divert from production into other Government programs.

Major row crops and small grains were produced on an estimated 63 percent of the 7.4 million acres prior to contracts. The remaining 37 percent produced tame hay, minor crops, or was fallow before being in the conservation reserve program.

In terms of specific small grain and row crops the 7.4 million acres of land released in 1963 was used in the following ways before being placed under contract: corn production, about 18 percent; oats production, about 14 percent; wheat production, about 10 percent; grain sorghum production, about 10 percent; barley production, about 5.5 percent; cotton production, about 2 percent. Smaller percentages were in peanuts, potatoes, tobacco, and rice production.

Expiration of conservation reserve contracts has implications for farm income as well as for farm production. About 100,000 farmers have received more than \$100 million annually from rental payments under the contracts expiring on December 31, 1963. Although annual payments on the expiring contracts average about \$1,000 per

contract, and are limited to \$5,000, conservation reserve payments constitute a considerable part of the farm income of many of the farmers with whole-farm contracts (70 percent of all participants).

These payments are also important to the many merchants who sell items to farmers. The annual rental payment of about \$200 million on the contracts remaining in effect in 1964 will be gradually reduced as the contracts expire. The amount of income ob-

tained as a result of the use made of the land after contracts expire, compared with the conservation reserve payments, will determine the net effect of contract expirations on farm income.

Ronald O. Aines
Economic Research Service



TURKEY CROP—SAME AS LAST YEAR

Producers are raising 92.7 million turkeys in 1963, about the same number as were raised last year. This would be second only to the 1961 record crop of 108.1 million birds. The number of heavy birds, that comprise about nine-tenths of the total, dropped slightly and offset a 6 percent increase in light breeds.

Although the number raised in the Nation is the same, some significant changes are occurring among States and regions. California producers are raising 2.5 million fewer turkeys, a decrease of 14 percent from the 18.0 million raised last year. Minnesota's crop of 15.1 million birds is down fractionally from 1962. Michigan, Indiana, North Dakota, South Dakota, Nebraska, and Kansas each will have decreases of 9 percent or more. With California leading the way, production of all breeds in the western region is down 9 percent. The North Atlantic and East Central regions have decreases of 3 and 2 percent respectively.

Missouri turkey farmers are raising 820,000 more birds in 1963 than last year, an increase of 20 percent. Production is up 75 percent in Georgia, 22 percent in Colorado, and 16 percent in Virginia. Other States with increases of 10 percent or more are Ohio, Delaware, Maryland, West Virginia, North Carolina, Alabama, Arkansas, Texas, and Oregon. The total number of turkeys raised is expected to be up 18 percent in the South Atlantic region, 9 percent in the South Central, and 1

percent in the West North Central States.

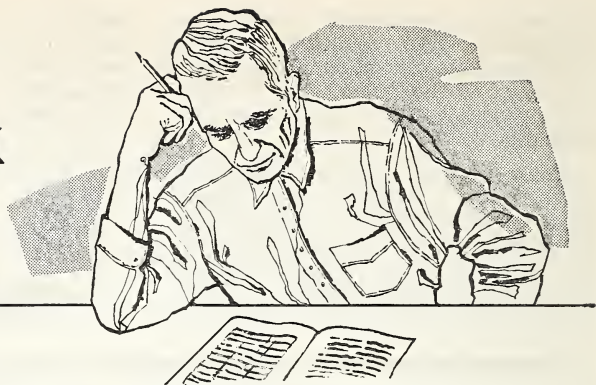
The number of heavy breed birds raised, at 83.4 million, will be practically the same as last year. Production of heavies is down 9 percent in the West, 3 percent in the North Atlantic, and 2 percent in the East North Central, and up 16 percent in the South Atlantic, 8 percent in the South Central, and 2 percent in the West North Central regions. The heavy white crop this year is 38 percent of all heavies, the same proportion as last year. Substantial increases in production of light breeds in the South Central and South Atlantic States more than offset decreases in other regions.

California, the leading State, will raise 15.5 million turkeys, followed by Minnesota 15.1 million, Iowa 7.9, Wisconsin 5.3, Missouri 4.9, Virginia 4.7, and Texas 4.5 million. These 7 States account for about two-thirds of the Nation's total.

The turkey-feed price ratio has been above the same month a-year-earlier every month since September 1962, with the exception of April and July. In July it was the same as last year, and in April it was slightly below a year earlier. Current turkey prices will no longer influence the number raised during the 1963 marketing year but may affect the weights at which birds are marketed. Turkey prices to producers have been above year-earlier levels since July 1962.

David T. Mateyka
Statistical Reporting Service

outlook



SOYBEANS

Soybean production for 1963 is forecast at 728 million bushels—record-high and 8 percent over last year. Prices farmers receive for soybeans this fall probably will be above the 1963 support rate of \$2.25 per bushel. Prices later in the 1963–64 marketing year may advance more than seasonally, because of the close balance expected between supply and demand. Soybean crushings and exports during 1963–64, despite increasingly strong domestic and export demand for meal, probably will go only slightly above 1962–63, when production was supplemented by a larger carryover. Carryover of 1962-crop beans has dwindled to a minimum level.



DAIRY

Milk production in 1963 likely will be slightly below the 125.9 billion pounds of 1962. Lower production and more commercial demand during the first 8 months of this year cut CCC butter and cheese purchases (delivery basis) 26 percent from a year earlier. August butter output dropped 8 percent from a year ago, while American cheese production increased about 7 percent. Prices farmers received for milk in August averaged \$4.07 per 100 pounds, 17 cents above July but the same as a year earlier. Prices probably will in-

crease seasonally the rest of the year, but stay close to 1962 levels.



EGGS

Egg production during the summer went above a year earlier and is likely to continue above in the fourth quarter. Early 1964 output may also be up—a large increase in the out-of-season hatch of egg-type chicks is expected.

POTATOES

Potato supplies are expected to be slightly smaller this fall than the heavy supplies of a year ago. Sweetpotato production is down an estimated 13 percent from last year. Prices probably will continue above a year ago.



CATTLE

Fat cattle marketings during the fourth quarter probably will be above a year earlier. Prices are expected to stay near the July–August level of \$24.66 for Choice steers at Chicago. Fourth quarter cow slaughter likely will be only a little above a year earlier. It was about the same as 1962 during the first 7 months of this year.



WHEAT

Heavy disappearance of wheat in 1963-64 is expected and year-end carry-over probably will be reduced for the third straight year. Prices probably will average near the \$1.82 per bushel loan rate but may drop late in the marketing year in anticipation of a much lower support rate on the 1964 crop.



HOGS

Hog slaughter in the final quarter of 1963 probably will be slightly above a year earlier, reflecting 1 percent more pigs saved in December 1962-May 1963. Barrow and gilt prices likely will be slightly below those of a year earlier (\$16.51 at 8 major markets in October-December 1962).



FEED GRAINS

Feed grain production in 1963 is up an estimated 5 percent from last year. Per acre corn yields may be the highest ever and production may surpass the record-high 3.91 billion bushels in 1960. Estimated grain sorghum output is 2 percent above last year. The total feed grain supply in 1963-64 is estimated at 211 million tons, 4 million less than in 1962-63, slightly below the 1957-61 average. Carryover has been trimmed about 24 million tons the last 2 years, reversing a 10-year uptrend. A further, but more moderate, decline is expected in 1963-64. Feed grain prices advanced more than seasonally during 1962-63 . . . the index of prices received by

farmers in August was 11 percent above a year earlier. A price decline is expected during the next 2 months, with corn and grain sorghum harvest under-way. And prices this fall and winter may decrease to last winter's level.



TURKEYS

Turkey supplies in the September-December marketing season are expected to go a little below a year earlier. On September 1 there were 153 million pounds in cold storage, compared with 160 million a year earlier. Prices to producers likely will average slightly above the 22 cents per pound of last year.

BROILERS

Recent reduction in broiler hatchery activity suggests that fourth quarter broiler supplies will not differ greatly from a year earlier. However, production may increase in early 1964, if the usual seasonal rise in broiler chick output develops over the next few months.

COTTON

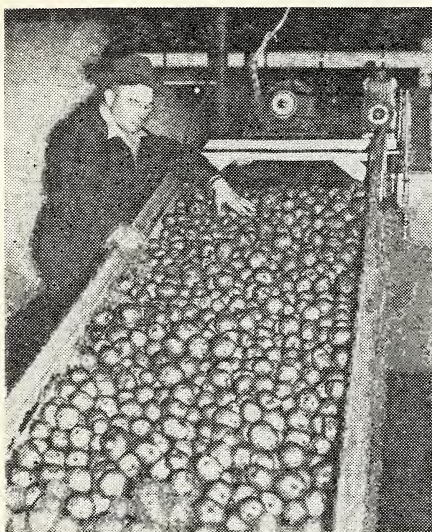
Cotton disappearance in the 1963-64 crop year is put at 13.8 million bales, up about 2 million from a year earlier. Mill consumption and exports are expected to increase. But carryover in 1964 probably will also increase, as production continues ahead of demand.



SHEEP

Fourth quarter slaughter of sheep and lambs is expected to average somewhat below a year ago. Lamb prices may be off somewhat from October-December 1962 prices when Choice slaughter lambs at Denver brought \$20.09.

WHERE DID LAST YEAR'S POTATOES GO?



The foreman in a processing plant checks potatoes as they are carried from washer.

Consumers in America still buy most of their potatoes fresh. Growers sold 150.6 million hundredweight of 1962-crop potatoes for table use. This was slightly more than during 1956 to 1960 when sales for table use increased from 146.0 to 149.1 million hundredweight. However, it was less than the 153.3 million from the large 1961 crop.

Potatoes processed into potato food products totaled 54.5 million hundredweight from the 1962 crop compared with 52.1 million a year earlier. This was more than double the 24.7 million from the 1956 crop, the first crop for which utilization estimates were made.

Of the processed products potato chips are the greatest outlet for potatoes. During the 1962 crop season, 24.1 million hundredweight of potatoes went into chips—6 percent more than a year earlier and 65 percent above 1956.

Frozen products accounted for 18.4 million hundredweight. Most of this, 16.0 million, was used in frozen french fries and the balance in other frozen products such as patties. The quantity

of potatoes processed into frozen products during the 1962 season was 1.4 percent larger than 1961 and almost 4 times greater than 1956.

Almost 9.3 million hundredweight of 1962-crop potatoes were dehydrated compared with 8.5 million in 1961 and 10.1 million in 1960. Dehydration increased rapidly from 1956 to 1960 with about 3 times more potatoes dehydrated in 1960 than in 1956.

The remaining 2.7 million hundredweight used in processed potato food products were canned in soups, etc., or as whole potatoes.

Starch and flour accounted for 11.3 million hundredweight against 20.5 million from the 1961 crop. Sales for livestock feed were 7.9 million against 20.3 million. Diversion to starch and feed under the government program was much less than a year earlier.

Sales for seed totaled 14.6 million hundredweight. The balance of 1962 production, 27.8 million, was not sold. It was used on farms where it was grown for food, feed, or seed or lost through shrinkage, decay, or cullage.

W. Grant Lee
Statistical Reporting Service



Recent USDA Publications:

Mr. Fruit-Vegetable Grower: Does a Federal MARKETING ORDER Fit Your Industry? AMS Pamphlet 584

Fruit and vegetable growers today face some big marketing problems—often too big for them to solve individually. But many growers are

helping each other to solve these problems through Federal marketing orders.

This pamphlet will help you understand these Federal marketing orders and what they are designed to accomplish. It treats the following subjects:

- What Is A Marketing Order?
- What You Can Do Under A Marketing Order
- How A Marketing Order Operates
- How A Marketing Order Is Financed
- The Role of The Secretary of Agriculture
- Do You Need A Marketing Order?
- How Is A Marketing Order Established?
- How Can A Marketing Order Be Terminated?
- How To Get Additional Information

Rural Recreation, New Opportunities on Private Land; Miscellaneous Publication No. 930; length, 24 pages

Outdoor recreation has mushroomed into a \$20-billion-a-year business since

World War II. Public recreation facilities near major cities have been unable to accommodate the flood of pleasure-seekers, and many farmers have converted excess cropland or idle acres to recreational use.

This publication shows how land and water resources that used to produce crops now serve the public as dude ranches, vacation farms, camping and picnic sites, game preserves for hunters, and as fishing, swimming, and boating areas.

Also included is a section on the financial, technical, educational, and research assistance that USDA gives to help farmers and other rural residents develop recreation areas. Aid in the establishment of income producing recreation on farms and ranches is a part of USDA's Rural Areas Development Program.

To aid the outdoor recreation seeker, the pamphlet lists nearly two dozen sources of information on farmland recreation sites.

You may obtain a free copy of these publications by writing to: *Editor, Agricultural Situation, OMS, Division of Information, U.S. Department of Agriculture, Washington, D.C., 20250.*



RECORD 1963

CIGARETTE OUTPUT ESTIMATED

The 1963 output of cigarettes is estimated at a record high of 550 billion—about 14½ billion above 1962. The increase is approximately double the unusually small gain from 1961 to 1962, but is still below yearly increases from 1956 to 1961. Cigarette use in 1963 (including that of overseas forces) is estimated to be 523 billion—almost 3 percent above 1962. This is significantly above the 1 percent gain a year earlier and more in line with annual rates of gain in 1956–61. Cigarette use by U.S. smokers accounts for about 95 percent of total output; most of the rest is exported.

The number of cigarettes used per person 15 years and over (including Armed Forces overseas) is estimated at 4,005 for this year—about 200 packs. Indicated per capita use in 1963 is 1 percent above 1962 and tops the previous high of 1961.

A report on smoking and health is being prepared by a committee of experts for the Surgeon General of the United States Public Health Service, and is expected to be completed by the end of 1963.

Arthur G. Conover
Economic Research Service

REGIONAL PATTERNS IN MANUFACTURED DAIRY PRODUCTS

Butter, cheese, ice cream, concentrated milks, and other manufactured dairy products were outlets for a record 64 billion pounds of milk last year—51 percent of the total United States milk production. The amount of milk used in these products varies widely among the regions and States, and is affected by changes in milk production, changes in marketing, and changes in fluid use.

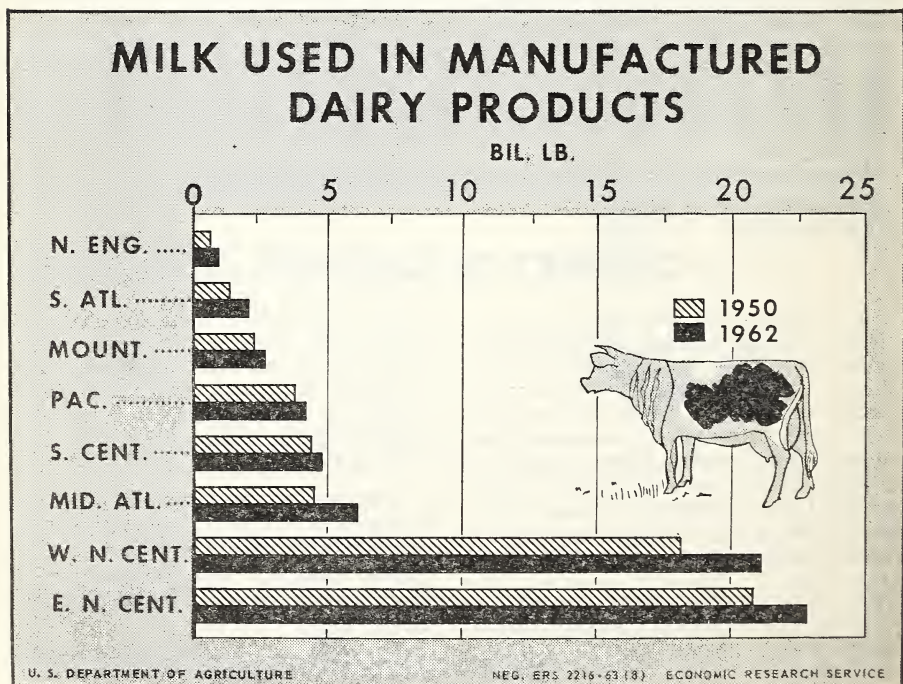
Output of manufactured dairy products is concentrated in the North Central States where 44 billion pounds of milk were used for these products in 1962. This production, primarily of butter and cheese, increased about 5 billion pounds of milk equivalent from 1950 to 1962. The percentage of the milk going into manufactured products in this 12-State area rose from 64 percent in 1950 to 68 percent last year. The next highest milk-into-manufacture percentage was in the Mountain States where 55 percent of the milk

went into manufactured dairy products in 1962, just slightly above the 53 percent in 1950.

Milk in the North Atlantic States is produced primarily for fluid use, and in 1962, milk for manufacture ranged from 19 percent of total production in New England to 32 percent in the Middle Atlantic States. This is an increase over 1950. The Pacific region, reflecting an increase in fluid use because of growing population, now uses about 35 percent of its milk production for manufacturing compared with more than 50 percent in the 1930's.

The South Atlantic and South Central regions have rapidly become Grade A milk areas. Also, a greater than usual rise in the proportion of milk production sold off the farms has taken place there. All this has influenced the percent of rise in milk for manufacture in these regions (see chart).

Robert H. Miller
Economic Research Service



Meet the State Statistician . . .

ROY POTAS



American agriculture is unquestionably a success story. We live in a land where there is an ever increasing productivity from an ever decreasing farm population.

But many farmers and their families have experienced individual failures along the way—failures brought about by poor practices, too little capital, or just too small a gap between what it costs to operate the farm and the prices paid the farmer. Roy Potas, State Statistician of South Dakota, can recall from first hand experience, the bitter and the sweet of American agriculture.

It was 1921 when 11-year-old Roy, the second oldest of five children, moved from a farm near Rutland, South Dakota, his birthplace, to a farm near Webster, his growing-up place. And growing up near Webster was fun—a friendly town and a full community life.

But the economics of farming at that time and at that place were not good. Farmland values were at a speculative peak after World War I, when Roy's father purchased their place. With each year production and prices declined until income was below the break-even point on the high priced land. Many felt compelled to leave their farms—among them, the Potas family.

Roy went through one semester of college in 1930 before the money ran out. Then it was a job in a Sioux Falls clothing store for five years before he entered Government service as a calculating machine operator with the Crop Reporting Service at Brookings.

During his years on the farm, Roy saw that farmers were at a serious disadvantage when they lacked knowledge of the market, the competition, and the prices. Now he was employed by the agency that supplied the agricultural economy with that very knowledge.

By 1935, Roy Potas was determined to become an agricultural statistician, and spent 8 years as a part time student before attaining a BA in economics.

As a statistician, his career took him to Saint Paul, Minnesota for 10 years—then to Washington, D.C. to work on livestock statistics for 5 years.

He headed the Milk Production Section of the Crop Reporting Service before his promotion in 1958 to statistician-in-charge of his home State, South Dakota.

South Dakota was one of the last States admitted to the Union, yet it has developed into one of our leading agricultural States. It ranks eighth in corn production; fourth in oats; third in spring wheat; second in rye and flaxseed; first in bluegrass seed; sixth in alfalfa hay; eleventh in cattle numbers; tenth in barley, cattle on feed, and calf crop; fifth in sheep; and ninth in pig crop.

Roy is the first to affirm the fact that good things come from South Dakota, agricultural and otherwise. He met his wife, Virgie E. Allman in 1932 at Sioux Falls and married her three years later. They have four children, two boys and two girls. His son, Ronald, is slated to graduate from the State College in June as an electrical engineer. Connie Sue was married in September, Steven Roy is in his first semester at South Dakota State, and Dianne Marie, now fourteen, still has time to contemplate her future.

TREE NUT TRENDS

Almonds, filberts, pecans, and walnuts—the 4 major edible tree nuts grown commercially in the United States—comprise a more important part of the fruit and tree nut economy of this nation than might be suspected. In 1961, these 4 nuts made up about 8 percent of the total value of fruit and tree nut production, although they comprised only 1.4 percent of the tonnage.

These 4 tree nuts are grown to some extent in many States, but commercial production of almonds, filberts, and walnuts is centered in the 3 Pacific Coast States. Production of pecans is heaviest in 11 southern States extending from New Mexico to the East Coast.

Since 1935, combined production of these 4 nuts has doubled. Increases occurred in output of each kind. A record 269,035 tons (in-shell) were produced in 1961.

Prices received by growers for these 4 nuts have more than doubled over the past quarter century. This was a

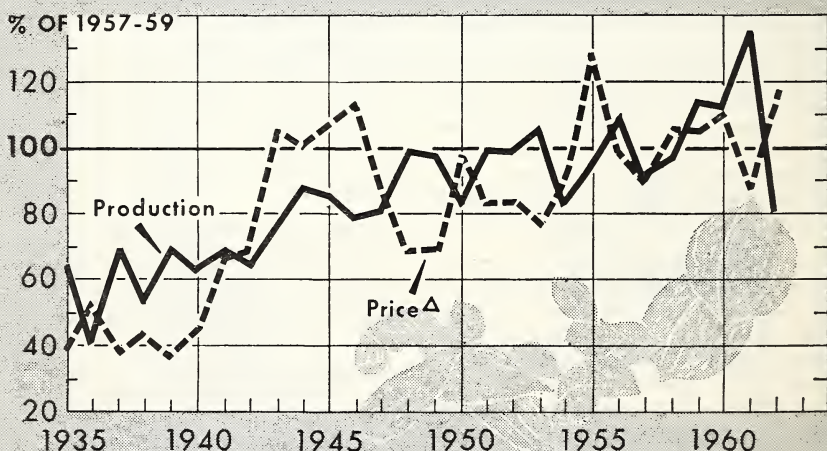
reflection of increased incomes of consumers and perhaps more widespread usage of nuts throughout the year.

The upward trends in production and prices of tree nuts are indicated in the accompanying chart, based on annual figures as percentages of the 1957-59 averages.

For many years, substantial quantities of tree nuts, especially cashews and Brazil nuts—types not grown commercially in this country—have been imported to supplement U.S. production. In some years of relatively light U.S. crops, as in 1962, imports have exceeded our production.

Edible tree nuts are used in many ways, especially eating out of hand and in confections, bakery goods, and ice cream. Per capita consumption of tree nuts in all uses combined has doubled over the past half century. During the past 10 years, it has been about 1.6 pounds annually, kernel basis. This is equivalent to about 4.5 pounds in-shell.

TREE NUT PRODUCTION AND PRICES SINCE 1935*



* ALMONDS, FILBERTS, WALNUTS, AND PECANS.

△ SEASON AVERAGE PRICE TO GROWERS.

For 1963, production prospects point to a record large U.S. crop of edible tree nuts, much larger than the crop last year and moderately above the previous peak in 1961. Expectations are for a record pecan crop and the second largest almond crop on record. Estimated production of walnuts and filberts is above last year.

Ben H. Pubols
Economic Research Service

The Farmer's Share

In July the farmer's share of the consumer's food dollar was 37 cents, one cent more than it was in June and the same as it was a year earlier.

Flaxseed Supply Increases

The supply of flaxseed in the 1963-64 marketing year (opening stocks on July 1 plus the 1963 crop) is 39 million bushels, 10 percent more than a year earlier and the largest since 1958. The increase is entirely the result of larger opening stocks (mainly in CCC hands) more than offsetting the slight drop in output.

Flaxseed crushings in 1963-64 for domestic oil and meal use are forecast at 22 million bushels, up 1 million from last year and the largest since 1959-60. The outlook is for some increase in linseed oil use (due to new technical uses developed recently) and fairly steady linseed oil prices (raw, tank cars, Minneapolis) averaging slightly below the 1962-63 level of 13 cents per pound. About 2 million bushels of flaxseed will be needed for seeding the 1964 crop. This leaves 15 million bushels available for export and carryover stocks on June 30, 1964.

Prices received by farmers for 1963 crop flaxseed are averaging slightly below the CCC support rate of \$2.90 per bushel (farm basis)—a reflection of the surplus situation.

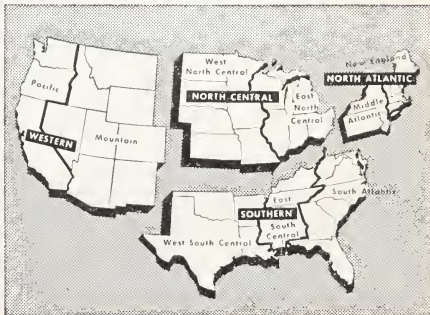
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October 1963

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